

Audited Project Financial Statements

Project Number: 41403-013
Loan/Grant Number: 3232
Period Covered: 1 January 2019 to 31 December 2019

Cambodia: Urban Water Supply Project

Prepared by the Ministry of Industry, Science, Technology and Innovation

For the Asian Development Bank.
Date received by ADB: 30 June 2020

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Access to Information Policy and as agreed between ADB and the Ministry of Industry, Science, Technology and Innovation.

**ROYAL GOVERNMENT OF CAMBODIA
MINISTRY OF INDUSTRY AND HANDICRAFT**
**(now known as Ministry of Industry, Science,
Technology and Innovation)**

Urban Water Supply Project

ADB Loan No. 3232 – CAM (COL)

**Financial Statements
and Statement on Compliance
for the year ended 31 December 2019**

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and
Innovation)**

Urban Water Supply Project
ADB Loan No. 3232 – CAM (COL)

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PART I

Financial Statements
for the year ended 31 December 2019
and
Report of the Independent Auditors



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Ministry of Industry, Science, Technology & Innovation

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Statement by the management

I do hereby state that in our opinion, the accompanying financial statements, which comprise the statement of financial position as at 31 December 2019, the statements of receipts and expenditure, and advance account for the year then ended and notes, comprising significant accounting policies and other explanatory information as set out on pages 5 to 20 of the Urban Water Supply Project ("the Project"), funded by the Asian Development Bank Loan No. 3232 – CAM (COL), and implemented by the Ministry of Industry and Handicraft (now known as Ministry of Industry, Science, Technology and Innovation), are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the financial statements. *g oh*



Signed on behalf of the Project management:

H.E Oum Sotha

Project Director

Ministry of Industry and Handicraft

(now known as Ministry of Industry, Science, Technology and Innovation)

Phnom Penh, Kingdom of Cambodia

Date: 29 June 2020



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Report of the independent auditors To the Ministry of Economy and Finance Royal Government of Cambodia

Opinion

We have audited the financial statements of the Urban Water Supply Project ("the Project"), funded by the Asian Development Bank Loan No. 3232 – CAM (COL), and implemented by the Ministry of Industry and Handicraft (now known as Ministry of Industry, Science, Technology and Innovation) ("the Project Management Unit" or "PMU"), which comprise the statement of financial position as at 31 December 2019, the statements of receipts and expenditure, and advance account, for the year then ended, and notes, comprising significant accounting policies and other explanatory information ("financial statements"), as set out on pages 5 to 20.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies as described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (CISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting and the accounting policies adopted by the Project. The financial statements are prepared for the information of and use by the management of the Project, the Ministry of Economy and Finance and the Asian Development Bank. As a result, the financial statements may not be suitable for another purpose. Our audit report is intended solely for the management of the Project, the Ministry of Economy and Finance and the Asian Development Bank and should not be used by other parties. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the basis of accounting and the accounting policies described in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the PMU's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PMU's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the PMU to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For KPMG Cambodia Ltd



Taing YoukFong
Partner

Phnom Penh, Kingdom of Cambodia

29 June 2020

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and Innovation)**

Urban Water Supply Project
ADB Loan No. 3232 – CAM (COL)

**Statement of financial position
As at 31 December 2019**

	Note	As at 31 December 2019 US\$	As at 31 December 2018 US\$
Current assets			
Cash on hand		287	699
Cash at banks	3	65,566	208,990
Advance	4	57,130	130,435
		<u>122,983</u>	<u>340,124</u>



Represented by:

Fund balance at end of the year *OK*

122,983

340,124

H.E. Oum Sotha
Project Director

[Signature]
Mr. Som Kunthea
Financial officer

Phnom Penh, Kingdom of Cambodia

Date: *29 June 2020*

The accompanying notes form an integral part of these financial statements.

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and Innovation)**

Urban Water Supply Project

ADB Loan No. 3232 – CAM (COL)

**Statement of receipts and expenditure
for the year ended 31 December 2019**

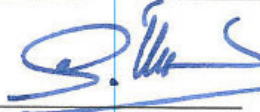
	Note	Year ended 31 December 2019			Year ended 31 December 2018 US\$	Cumulative period from 16 June 2015 to 31 December 2019 US\$
		ADB US\$	RGC US\$	Total US\$		
Receipts						
Asian Development Bank	5 (a)	1,710,268	-	1,710,268	784,567	3,802,974
Government Counterpart fund	5 (b)	-	20,280	20,280	20,280	85,840
		<u>1,710,268</u>	<u>20,280</u>	<u>1,730,548</u>	<u>804,847</u>	<u>3,888,814</u>
Expenditure by disbursement category and financier	6					
Investment cost	7	1,875,155	-	1,875,155	1,028,318	3,594,179
Recurrent cost	8	14,092	20,280	34,372	29,644	107,128
Interest charge		38,162	-	38,162	13,566	64,524
		<u>1,927,409</u>	<u>20,280</u>	<u>1,947,689</u>	<u>1,071,528</u>	<u>3,765,831</u>
(Deficit)/ Excess of receipts over expenditure		(217,141)	-	(217,141)	(266,681)	122,983
Fund balance at beginning of the year		338,296	1,828	340,124	606,805	-
Fund balance at end of the year		<u>121,155</u>	<u>1,828</u>	<u>122,983</u>	<u>340,124</u>	<u>122,983</u>



H.E. Oum Sotha
Project Director

Date: 29 June 2020

The accompanying notes form an integral part of these financial statements.


Mr. Som Kunthea
Financial officer

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and Innovation)**

Urban Water Supply Project

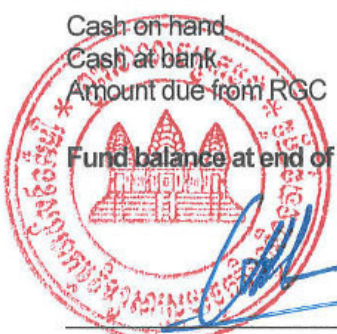
ADB Loan No. 3232 – CAM (COL)

**Statement of advance account
for the year ended 31 December 2019**

	Note	Year ended 31 December 2019 US\$	Year ended 31 December 2018 US\$	Cumulative period from 16 June 2015 to 31 December 2019 US\$
Receipts				
Asian Development Bank	5(a)	-	-	470,000
Expenditure by disbursement category				
Investment cost	7	129,744	63,213	382,859
Recurrent cost		14,092	9,364	23,456
		143,836	72,577	406,315
(Deficit)/Excess of receipts over expenditure		(143,836)	(72,577)	63,685
Fund balance at beginning of the year		207,521	280,098	-
Fund balance at end of the year		63,685	207,521	63,685

Represented by:

Cash on hand		287	699	
Cash at bank	3	60,846	204,270	
Amount due from RGC		2,552	2,552	
Fund balance at end of the year		63,685	207,521	



H.E. Oum Sotha
Project Director

Mr. Som Kunthea
Financial officer

Phnom Penh, Kingdom of Cambodia

Date: 29 June 2020

The accompanying notes form an integral part of these financial statements.

Ministry of Industry and Handicraft (now known as Ministry of Industry, Science, Technology and Innovation)

Urban Water Supply Project

ADB Loan No. 3232 – CAM (COL)

Notes to the financial statements for the year ended 31 December 2019

These notes form an integral part of, and should be read in conjunction with, the accompanying financial statements.

1. Background and activities

The Urban Water Supply Project ("Project") was established under the Loan Agreement No. 3232-CAM (COL) signed on 18 December 2014. Total Project cost is approximately US\$37.4 million, of which the Asian Development Bank (ADB) finances SDR22,848,000 (US\$34 million equivalent at the time of loan negotiation) from the Asian Development Fund (ADF), and the Royal Government of Cambodia ("RGC"), represented by the Ministry of Economy and Finance ("MEF") contributes US\$3.40 million equivalent for safeguards costs, in-kind expenditures on staff and office facilities, and costs of taxes and duties.

The loan is repayable not exceeding 32 years including a grace period not exceeding 8 years from 15 February 2023 up to 15 August 2046 with interest charge at the rate of 1% per annum during the grace period and the rate of 1.5% per annum on the amount of the loan withdrawn from the loan account and outstanding from time to time. The interest charge and any other charge on the loan shall be payable semi-annually on 15 February and 15 August in each year.

A Project Management Unit (PMU) is to be established within the Ministry of Industry and Handicraft ("MIH") (now known as Ministry of Industry, Science, Technology and Innovation), through its Department of Potable Water Supply ("DPWS"), and Project Implementation Units ("PIUs") at eight waterworks (Kampong Cham, Kampong Thom, Kampot, Pursat, Sihanoukville, Stoung, Steung Treng, and Svay Rieng) while Siem Reap Water Supply Authority ("SRWSA") will make its own arrangements for the Project implementation as agreed by the MIH. MIH will be the Executing Agency and will prepare and implement the Project activities. PMUs will be established in DPWS and at SRWSA, with full-time staff to execute and manage the Project.

The overall goal of the consulting services package is to enhance the effectiveness and efficiency of the MIH/DPWS, and the public water utilities, and to ensure that the proposed Project is implemented effectively. Assistance will be provided to the PMU, the PIUs, and SRWSA. Key objectives of the assistance are:

- To provide engineering services - detailed engineering design, bidding documents, and construction supervision – for the Project implementation.
- To provide the Project implementation and management support, including safeguards, procurement, and monitoring.
- To develop the capacity of the PMU staff to effectively manage the Project execution, and with PIUs' staff.
- To develop the capacity the waterworks and SRWSA to operate and maintain the facilities developed and equipment purchased under the Project.

**Ministry of Industry and Handicraft
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Urban Water Supply Project

ADB Loan No. 3232 – CAM (COL)

**Notes to the financial statements (continued)
for the year ended 31 December 2019**

1. Background and activities (continued)

The objective of the Project is improved water supply infrastructure and service provision in nine provincial towns. The Project shall be comprised of the following outputs:

- *Output 1: Existing water supply systems improved in seven towns*
- *Output 2: New water supply system provided for Stung Treng*
- *Output 3: Water supply coverage increased in Siem Reap*
- *Output 4: Project implementation supported and operation and maintenance developed*

The Project is expected to be completed by 31 December 2019. On 20 April 2020, the Project has requested to the MEF for the delay in the completion of the Project to 31 December 2022. As of the date of this report, the Project has not received the approval on the request yet.

Funding of the Project by the ADB according to the allocation and withdrawal of the loan proceeds is as follows:

Category			ADB Financing	
No.	Item	Amount Allocated (SDR)	Amount Allocated (US\$)	Percentage and Basis for Withdrawal from the Loan Account
		Category	Category	
1	Output 1: Improvement in Seven Towns	2,727,000	4,058,000	100% of total expenditure claimed*
2	Output 2: Stung Treng	7,579,000	11,278,000	100% of total expenditure claimed*
3	Output 3: Siem Reap **	3,361,000	5,000,000	100% of total expenditure claimed*
4	Output 3: Project Implementation Support and O&M Development	2,775,000	4,130,000	100% of total expenditure claimed*
5	Vehicles and Equipment (including O&M)	437,000	652,000	100% of total expenditure claimed*
6	Interest charge	280,000	417,000	100% of almost due
7	Unallocated	5,689,000	8,465,000	
	Total	22,848,000	34,000,000	

* *Exclusive of local taxes and duties imposed within the territory of the Recipient.*

** *Subject to the condition for withdrawal described in paragraph 6 of Schedule 3.*

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and
Innovation)**

Urban Water Supply Project
ADB Loan No. 3232 – CAM (COL)

Notes to the financial statements (continued)
for the year ended 31 December 2019

2. Significant accounting policies

(a) Basis of accounting

The financial statements, which are expressed in the United States Dollars ("US\$"), have been prepared in accordance with a modified cash receipts and disbursements basis of accounting. This is a basis of accounting that is designed to meet the requirements of the Project; it is not designed to produce financial statements that are compatible with International Financial Reporting Standards. Under this basis of accounting, receipts is recognised when funds are received in cash and expenditure is recognised when payments are made rather than when it is incurred, except for the advanced payments made to suppliers that are initially recognised as a receivable and only recognised as expenditure when they have been liquidated by supporting invoices.

(b) Statement of the advance account

The statement of advance account (previously known as statement of imprest account) is prepared in accordance with the Loan Agreement and is purely used to receive and disburse for expenditure financed by the ADB loan proceeds.

(c) Non-expendable equipment

The cost of non-expendable equipment is charged to the statement of receipts and expenditure upon acquisition. For control and management purposes, a memorandum account for non-expendable equipment is maintained by way of a non-expendable equipment listing.

(d) Interest charge

Interest charge is recorded the statement of receipts and expenditure against direct payments charged from ADB.

(e) Foreign currency transactions

The Project transacts its operations and maintains its accounting records primarily in the United States Dollars ("US\$"). Transactions in currencies other than US\$ are converted into US\$ at the rates of exchange prevailing on the transaction dates. Fund balances in currencies other than US\$ are translated into US\$ at the open market rates of exchange at the year end date. All foreign exchange differences are recognised in the statement of receipts and expenditure.

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and
Innovation)**

Urban Water Supply Project
ADB Loan No. 3232 – CAM (COL)

Notes to the financial statements (continued)
for the year ended 31 December 2019

2. Significant accounting policies (continued)

(f) In kind contribution

All contribution in-kind from RGC to the Project are not accounted for in the statement of receipts and expenditure. In-kind contribution is disclosed in the note to financial statements for information only.

3. Cash at bank

	As at 31 December 2019 US\$	As at 31 December 2018 US\$
Advance account – Asia Development Bank	60,846	204,270
Advance account – Government Counterpart fund	4,720	4,720
	<u>65,566</u>	<u>208,990</u>

4. Advance

	As at 31 December 2019 US\$	As at 31 December 2018 US\$
Advance to a contractor, TCO Construction, Inc	<u>57,130</u>	<u>130,435</u>

This represents the advance paid to TCO Construction Inc. for the 10% of the contact price for the Project named the Urgent WTP Rehabilitation in Provincial Towns.

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and
Innovation)**

Urban Water Supply Project
ADB Loan No. 3232 – CAM (COL)

Notes to the financial statements (continued)
for the year ended 31 December 2019

5. Receipts

(a) Asian Development Bank

	Year ended 31 December 2019 US\$	Year ended 31 December 2018 US\$	Cumulative period from 16 June 2015 to 31 December 2019 US\$
Advance account	-	-	470,000
Direct payment (*)	1,672,106	771,001	3,268,450
Interest charge	38,162	13,566	64,524
	<u>1,710,268</u>	<u>784,567</u>	<u>3,332,974</u>
	<u>1,710,268</u>	<u>784,567</u>	<u>3,802,974</u>

(*) Direct payments represent advance payments made by ADB directly to the consultant on behalf of the Project.

Receipts from the Asian Development Bank for Loan No. 3232 – CAM (COL) was paid into the advance account held by the Ministry of Economy and Finance. This is a separate bank account held exclusively for ADB Loan No. 3232 – CAM (COL). The receipt was then disbursed to advance account held by the Ministry of Industry and Handicraft (now known as Ministry of Industry, Science, Technology and Innovation) at the National Bank of Cambodia.

(b) Government Counterpart Fund

	Year ended 31 December 2019 US\$	Year ended 31 December 2018 US\$	Cumulative period from 16 June 2015 to 31 December 2019 US\$
Advance account	<u>20,280</u>	<u>20,280</u>	<u>85,840</u>

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and Innovation)**

Urban Water Supply Project
ADB Loan No. 3232 – CAM (COL)

Notes to the financial statements (continued)
for the year ended 31 December 2019

6. Expenditure by disbursement category and financier

Particulars	ADB Loan No. 3232 – CAM (COL)			Royal Government of Cambodia		Total
	% of financing	Actual expenditure		Actual expenditure		
	%	US\$	%	US\$	%	
Investment cost	100	1,875,155	100	-	-	1,875,155
Recurrent cost	100	14,092	100	20,280	100	34,372
Interest charge	100	38,162	100	-	-	38,162
Total payments – for year ended 31 December 2019		1,927,409		20,280		1,947,689
% of total Project costs		5.67%		0.60%		6.27%
% of cumulative expenses to total Project costs – for the period from 16 June 2015 to 31 December 2019		7.61%		2.46%		10.07%

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and Innovation)**

Urban Water Supply Project
ADB Loan No. 3232 – CAM (COL)

**Notes to the financial statements (continued)
for the year ended 31 December 2019**

7. Investment cost

	Year ended 31 December 2019			Year ended	Cumulative period
	ADB	RGC	Total	31 December 2018	from 16 June 2015 to
	US\$	US\$	US\$	US\$	31 December 2019
					US\$
Remuneration-International experts	132,530	-	132,530	436,222	779,471
Remuneration-National experts	78,515	-	78,515	147,735	272,125
Improvement in 7 towns	1,593,027	-	1,593,027	-	1,593,027
Vehicles and equipment (O&M)	5,350	-	5,350	263,344	626,777
Per diem, travel and accommodation	60,320	-	60,320	105,430	221,847
Rental	-	-	-	17,421	31,619
Workshop and training materials	3,213	-	3,213	54,645	62,272
Communication cost	2,200	-	2,200	3,521	7,041
	<u>1,875,155</u>	<u>-</u>	<u>1,875,155</u>	<u>1,028,318</u>	<u>3,594,179</u>

Investment cost is allocated as follows:

	Year ended 31 December 2019			
	Direct payments	Replenishments	Advance	Total
	US\$	US\$	US\$	US\$
ADB Loan No. 3232	<u>1,745,411</u>	<u>56,439</u>	<u>73,305</u>	<u>1,875,155</u>

Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and Innovation)

Urban Water Supply Project
 ADB Loan No. 3232 – CAM (COL)

Notes to the financial statements (continued)
for the year ended 31 December 2019

8. Recurrent cost

	Year ended 31 December 2019			Year ended	Cumulative period
	ADB	RGC	Total	31 December 2018	from 16 June 2015 to
	US\$	US\$	US\$	US\$	31 December 2019
					US\$
Salaries	4,400	20,280	24,680	24,610	89,850
Office space and other facilities	9,692	-	9,692	5,034	17,278
	<u>14,092</u>	<u>20,280</u>	<u>34,372</u>	<u>29,644</u>	<u>107,128</u>

Recurrent cost is allocated as follows:

	Year ended 31 December 2019			
	Direct payments	Replenishments	Advance	Total
	US\$	US\$	US\$	US\$
ADB Loan No. 3232	-	14,092	-	14,092
	<u>-</u>	<u>14,092</u>	<u>-</u>	<u>14,092</u>

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and
Innovation)**

Urban Water Supply Project

ADB Loan No. 3232 – CAM (COL)

**Notes to the financial statements (continued)
for the year ended 31 December 2019**

9. Statement of disbursements

Details of statement of disbursements from ADB fund are as follows:

		Year ended 31 December 2019 US\$	Year ended 31 December 2018 US\$	Cumulative period from 16 June 2015 to 31 December 2019 US\$
ADB Fund claims during the year/period				
Direct payments		1,672,106	771,001	3,268,450
Initial advance		-	-	470,000
Interest charge		38,162	13,566	64,524
Subtotal	(A)	<u>1,710,268</u>	<u>784,567</u>	<u>3,802,974</u>
Total expenditure made during the year/period				
	(B)	1,947,689	1,071,528	3,765,831
Less: Expenditure made out of RGC	(C)	(20,280)	(20,280)	(83,672)
Advance made during the year but not yet recorded as expenditure	(D)	57,130	130,435	57,130
Advance made in the prior period but recorded as expenditure during the period	(E)	(73,305)	(324,539)	-
Expenditure incurred during the year but not yet replenished	(F)	-	(72,577)	-
Remaining initial advance	(G)	-	-	264,651
Expenditure not yet claimed	(H)	(200,966)	-	(200,966)
Total eligible expenditure claimed (A=I=B+C+D+E+F+G+H)	(I)	<u>1,710,268</u>	<u>784,567</u>	<u>3,802,974</u>

**Ministry of Industry and Handicraft
(now known as Ministry of Industry, Science, Technology and
Innovation)**

Urban Water Supply Project

ADB Loan No. 3232 – CAM (COL)

**Notes to the financial statements (continued)
for the year ended 31 December 2019**

10. Statement of withdrawals

Withdrawal Application No.	Date	Currency	Initial advance	Investment cost	Recurrent cost	Interest charge	Total
2019							
<i>Direct payment</i>							
M0008	7-May-19	US\$	-	112,166	-	-	112,166
M0009	30-May-19	US\$	-	772,879	-	-	772,879
M0010	19-Jun-19	US\$	-	105,505	-	-	105,505
M0011	31-Oct-19	US\$	-	215,606	-	-	215,606
M0013	25-Nov-19	US\$	-	97,598	-	-	97,598
M0014	23-Oct-19	US\$	-	122,305	-	-	122,305
M0015	19-Dec-19	US\$	-	246,047	-	-	246,047
<i>Interest</i>							
9190	15 Aug-19	US\$	-	-	-	23,032	23,032
919A	15-Feb-19	US\$	-	-	-	15,130	15,130
Subtotal (A)				1,672,106	-	38,162	1,710,268
<i>RGC fund</i>							
N/A	-	US\$	-	-	20,280	-	20,280
Subtotal (B)				-	20,280	-	20,280
Total fund receipt (C=A+B)				-	1,672,106	20,280	1,730,548
2018							
<i>Direct payment</i>							
M0004	19-Sep-18	US\$	-	203,606	-	-	203,606
M0005	29-Aug-18	US\$	-	130,435	-	-	130,435
M0006	3-Oct-18	US\$	-	177,420	-	-	177,420
M0007	15-Nov-18	US\$	-	259,540	-	-	259,540
<i>Interest</i>							
9180	15 Aug-18	US\$	-	-	-	7,229	7,229
918A	15-Feb-18	US\$	-	-	-	6,337	6,337
Subtotal (A)				771,001	-	13,566	784,567
<i>RGC fund</i>							
N/A	N/A	US\$	-	-	20,280	-	20,280
Subtotal (B)				-	20,280	-	20,280
Total fund receipt (C=A+B)				-	771,001	20,280	804,847

**Ministry of Industry and Handicraft
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Urban Water Supply Project

ADB Loan No. 3232 – CAM (COL)

Notes to the financial statements (continued)
for the year ended 31 December 2019

10. Statement of withdrawals (continued)

Withdrawal Application No.	Date	Currency	Initial advance	Investment cost	Recurrent cost	Interest charge	Total
2018							
<i>RGC fund</i>							
N/A	N/A	US\$	-	-	20,280	-	20,280
Subtotal (B)			-	-	20,280	-	20,280
Total fund receipt (C=A+B)			-	771,001	20,280	13,566	804,847
Cumulative period from 16 June 2015 to 31 December 2019							
ADB			470,000	3,268,450	-	64,524	3,802,974
RGC			-	-	85,840	-	85,840
Total			470,000	3,268,450	85,840	64,524	3,888,814



H.E. Oum Sotha
Project Director

Phnom Penh, Kingdom of Cambodia

Date: 29 June 2020

Mr. Som Kunthea
Financial officer

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Urban Water Supply Project

ADB Loan No. 3232 – CAM (COL)

**Notes to the financial statements (continued)
for the year ended 31 December 2019**

11. Statement of budget versus actual expenditure

Description	Year ended 31 December 2019			Year ended 31 December 2018			Cumulative period from 16 June 2015 to 31 December 2019		
	Budget (Unaudited)	Actual	Variance	Budget (Unaudited)	Actual	Variance	Budget (Unaudited)	Actual	Variance
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Investment cost									
Output 1: Improvement in Seven Towns	491,000	-	491,000	1,972,000	-	1,972,000	4,058,000	-	4,058,000
Output 2: Steung Treng	-	-	-	3,836,000	-	3,836,000	6,487,000	-	6,487,000
Output 3: Siem Reap	1,700,000	-	1,700,000	1,700,000	-	1,700,000	4,575,000	-	4,575,000
Output 4: Project Implementation Support and O&M Development	828,000	1,875,155	(1,047,155)	828,000	768,778	59,222	3,312,000	2,976,556	335,444
Vehicles and Equipment (including O&M)	30,000	-	30,000	30,000	259,540	(229,540)	120,000	617,623	(497,623)
Recurrent cost	-	34,372	(34,372)	-	29,644	(29,644)	280,000	107,128	172,872
Contingencies	2,321,000	-	2,321,000	2,819,000	-	2,819,000	7,546,000	-	7,546,000
Interest charge	213,000	38,162	174,838	159,000	13,566	145,434	417,000	64,524	352,476
Tax and duties (RGC)	-	-	-	-	-	-	853,334	-	853,334
Total expenditure	5,583,000	1,947,689	3,635,311	11,344,000	1,071,528	10,272,472	27,648,334	3,765,831	23,882,503

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Urban Water Supply Project

ADB Loan No. 3232 – CAM (COL)

**Notes to the financial statements (continued)
for the year ended 31 December 2019**

12. Commitments

As at 31 December, the Project had the following commitments:

	As at 31 December 2019 US\$	As at 31 December 2018 US\$
Contracted, but not yet paid:		
Consulting services	2,288,028	2,689,355

13. In-kind contribution

The Project's management has identified and calculated in-kind contribution from the RGC which was based on the MEF guidelines as follows:

	Year ended 31 December 2019 US\$	Year ended 31 December 2018 US\$	Cumulative period from 16 June 2015 to 31 December 2019 US\$
Office space	16,380	16,380	68,250
Utilities	3,288	3,288	13,701
Salaries of project staff	20,280	20,280	84,500
Taxes and duties			
Withholding taxes	38,749	107,103	192,319
VAT	159,303	54,792	285,711
Custom duties	-	43,257	180,950
	<u>238,000</u>	<u>245,100</u>	<u>825,431</u>